

**CITY OF SPEARVILLE, KANSAS**

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**FINANCIAL STATEMENT  
with  
INDEPENDENT AUDITOR'S REPORT  
YEAR ENDED DECEMBER 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
City of Spearville, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash of the City of Spearville, Kansas, as of and for the year ended December 31, 2018 and the related notes to the financial statement.

### Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note A; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles**

As described in Note A, the financial statement is prepared by the City of Spearville, Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

## **Adverse Opinion on U.S. Generally Accepted Accounting Principles**

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Spearville, Kansas as of December 31, 2018, or changes in financial position and cash flows thereof for the year then ended.

## **Unmodified Opinion on Regulatory Basis of Accounting**

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Spearville, Kansas as of December 31, 2018, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note A.

## **Other Matters**

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash (basic financial statement) as a whole. The summary of regulatory basis expenditures – actual and budget, individual fund schedules of regulatory basis receipts and expenditures, and summary of regulatory basis receipts and disbursements – agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statement of the City of Spearville, Kansas as of and for the year ended December 31, 2017 (not presented herein), and have issued our report thereon dated September 11, 2018, which contained an unmodified opinion on the basic financial statement. The 2017 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the website of the Kansas Department of Administration at the following link: <http://admin.ks.gov/offices/chief-financial-officer/municipal-services>. The 2017 actual column (2017 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures for the year ended December 31, 2018 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2017 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2017 basic financial statement. The 2017 comparative information was subjected to the auditing procedures applied in the audit of the 2017 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2017 basic financial statement or to the 2017 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2017 comparative information is fairly stated in all material respects in relation to the basic financial statement as a whole for the year ended December 31, 2017, on the basis of accounting described in Note A.

*Kennedy McKee & Company LLP*

September 10, 2019

# CITY OF SPEARVILLE, KANSAS

## SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH REGULATORY BASIS

For the Year Ended December 31, 2018

<u>Fund</u>	<u>Beginning unencumbered cash balance</u>	<u>Prior year canceled encumbrances</u>
General fund	\$ 305,613	\$ -
Special purpose funds:		
Special street	5,484	-
Capital improvement	133,321	-
Crime stoppers	1,218	-
Community development	358,330	-
Woodbury trust	21,387	-
Laudick estate	201,422	-
Tom Feist foundation	248,695	-
Equipment reserve	82,000	-
Total special purpose funds	1,051,857	-
Bond and interest fund:		
Bond and interest	39,217	-
Business funds:		
Gas utility	164,439	-
Water utility	611,792	-
Sewer utility	22,162	-
Sanitation utility	18,849	-
Gas utility reserve	35,000	-
Water capital outlay	368,062	-
Total business funds	1,220,304	-
Total - excluding agency funds	\$ 2,616,991	\$ -
Composition of cash balance:		
Checking accounts		
Money market accounts		
Savings accounts		
Certificates of deposit		
Petty cash		
Total cash		
Agency funds		
Total cash - excluding agency funds		

The notes to the financial statement are an integral part of this statement.

## STATEMENT 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending unencumbered cash balance</u>	<u>Add encumbrances and accounts payable</u>	<u>Ending cash balance</u>
\$ 348,681	\$ 277,449	\$ 376,845	\$ -	\$ 376,845
21,898	25,336	2,046	-	2,046
76,622	-	209,943	-	209,943
23	-	1,241	-	1,241
47,488	1,025	404,793	-	404,793
155	600	20,942	-	20,942
2,352	-	203,774	-	203,774
182,215	291,390	139,520	-	139,520
45,000	-	127,000	-	127,000
375,753	318,351	1,109,259	-	1,109,259
10,169	7,603	41,783	-	41,783
224,278	221,251	167,466	9,495	176,961
227,680	265,724	573,748	-	573,748
75,072	67,054	30,180	-	30,180
63,378	65,704	16,523	-	16,523
-	-	35,000	-	35,000
106,207	70,228	404,041	-	404,041
696,615	689,961	1,226,958	9,495	1,236,453
\$ 1,431,218	\$ 1,293,364	\$ 2,754,845	\$ 9,495	\$ 2,764,340
				\$ 1,817,447
				203,774
				731,280
				19,181
				100
				2,771,782
				(7,442)
				\$ 2,764,340

# CITY OF SPEARVILLE, KANSAS

## NOTES TO THE FINANCIAL STATEMENT

December 31, 2018

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies applied in the preparation of the accompanying financial statement is presented to assist in understanding the City's financial statement. The financial statement, schedules, and notes are representations of the City's management, which is responsible for their integrity and objectivity.

#### 1. Municipal Financial Reporting Entity

The City of Spearville is a municipal corporation governed by an elected mayor and five-member council. The City has no related municipal entities.

#### 2. Basis of Presentation – Fund Accounting

The accounts of the City are organized and operated on the basis of funds. In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following types of funds comprise the financial activities of the City for the year ended December 31, 2018:

#### REGULATORY BASIS FUND TYPES

General fund - the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose funds – used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest fund – used to account for the accumulation of resources (including tax levies, transfers from other funds) and payment of general long-term debt.

Business funds – funds financed in whole or in part by fees charged to users of the goods or services.

Agency funds – funds used to report assets held by the municipal reporting entity in a purely custodial capacity.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America

The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows other than those mentioned above.

The City has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the City to use the regulatory basis of accounting.

4. Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

- a. Preparation of the budget for the succeeding calendar year on or before August 1st.
- b. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
- d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held, and the governing body may amend the budget at that time. There were no such budget amendments for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

## A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 4. Budgetary Information (continued)

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which regulatory receipts are recognized when cash is received, and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for utility reserve funds, agency funds, or the Capital Improvement, Crime Stoppers, Community Development, Woodbury Trust, Laudick Estate, Tom Feist Foundation, and Equipment Reserve special purpose funds.

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

## B. DEPOSITS AND INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds to have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Custodial credit risk - deposits.* Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka. All deposits were legally secured at December 31, 2018.

At December 31, 2018 the carrying amount of the City's deposits, including certificates of deposit, was \$2,771,682 and the bank balance was \$2,845,819. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$1,845,819 was collateralized with securities held by the pledging financial institutions agents in the City's name.

### C. LONG-TERM DEBT

Changes in long-term liabilities for the City for the year ended December 31, 2018, were as follows:

<u>Issue</u>	<u>Balance beginning of year</u>	<u>Additions</u>	<u>Reductions/ net change</u>	<u>Balance end of year</u>	<u>Interest paid</u>
General obligation bonds:					
Water Improvements					
Issued April 27, 2010					
In the amount of \$1,506,000					
At interest rate of 4.125%					
Maturing April 27, 2048	\$1,205,528	\$ -	\$ 20,500	\$1,185,028	\$ 49,728
Street Improvements					
Issued July 31, 2017					
In the amount of \$78,000					
At interest rate of 4.250%					
Maturing September 1, 2032	<u>78,000</u>	<u>-</u>	<u>4,000</u>	<u>74,000</u>	<u>3,603</u>
Total long-term debt	<u>\$1,283,528</u>	<u>\$ -</u>	<u>\$ 24,500</u>	<u>\$1,259,028</u>	<u>\$ 53,331</u>

Current maturities of general obligation bonds and interest for the next five years and in five-year increments through maturity are as follows:

	<u>Principal due</u>	<u>Interest due</u>	<u>Total due</u>
2019	\$ 25,300	\$ 52,027	\$ 77,327
2020	26,200	50,979	77,179
2021	27,100	49,893	76,993
2022	28,100	48,770	76,870
2023	30,000	47,606	77,606
2024-2028	168,600	218,424	387,024
2029-2033	199,200	180,480	379,680
2034-2038	212,000	138,842	350,842
2039-2043	259,400	91,362	350,762
2044-2048	<u>283,128</u>	<u>33,254</u>	<u>316,382</u>
Total	<u>\$ 1,259,028</u>	<u>\$ 911,637</u>	<u>\$ 2,170,665</u>

### D. INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory authority</u>	<u>Amount</u>
General	Capital improvement	K.S.A. 12-1,118	\$ 28,938
General	Equipment reserve	K.S.A. 12-1,117	40,000
Water utility	Water capital outlay	K.S.A. 12-825d	29,160
Water utility	Capital improvement	K.S.A. 12-825d	40,000
Sanitation utility	Capital improvement	K.S.A. 12-825d	5,000
Sanitation utility	Equipment reserve	K.S.A. 12-825d	<u>5,000</u>
			<u>\$ 148,098</u>

## E. OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

*Other post-employment benefits.* As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in the financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

*Vacation leave* – Twelve working days per year are allowed as vacation leave to regular full time City employees with one to five years of employment and eighteen working days per year are allowed for employment of six years or more. If not used by year-end, these days are lost.

*Sick leave* – Sick leave for regular full-time employees is earned at a rate of one day per month and may accrue up to a maximum of sixty days. Unused sick leave will not be paid upon termination or resignation.

## F. DEFINED BENEFIT PENSION PLAN

*Plan description.* The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing, multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at [www.kpers.org](http://www.kpers.org) or by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

*Contributions.* K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by the City and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2 and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.39% for the fiscal year ended December 31, 2018. Contributions to the pension plan from the City were \$16,654 for the year ended December 31, 2018.

#### F. DEFINED BENEFIT PENSION PLAN (CONTINUED)

*Net pension liability.* At December 31, 2018, the City's proportionate share of the collective net pension liability reported by KPERS was \$137,274. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017, which was rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the Local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in this financial statement. The complete actuarial report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at [www.kpers.org](http://www.kpers.org) or can be obtained as described above.

#### G. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters; and medical needs of employees. The City purchases commercial insurance to cover health, property, liability, and worker's compensation claims. There has been no reduction in coverage from the prior year and settlements have not exceeded coverage in the past three years.

#### H. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 10, 2019, the date on which the financial statement was available to be used. Management's evaluation concluded that there are no subsequent events that are required to be recognized or disclosed in this financial statement.

**REGULATORY – REQUIRED  
SUPPLEMENTARY INFORMATION**

## CITY OF SPEARVILLE, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2018

<u>Fund</u>	<u>Certified budget</u>	<u>Adjustment for qualifying budget credits</u>	<u>Total budget for comparison</u>	<u>Expenditures chargeable to current year</u>	<u>Variance favorable (unfavorable)</u>
General fund	\$ 501,000	\$ -	\$ 501,000	\$ 277,449	\$ 223,551
Special purpose fund:					
Special street	43,000	-	43,000	25,336	17,664
Bond and interest fund:					
Bond and interest	38,433	-	38,433	7,603	30,830
Business funds:					
Gas utility	500,000	-	500,000	221,251	278,749
Water utility	550,228	-	550,228	265,724	284,504
Sewer utility	100,000	-	100,000	67,054	32,946
Sanitation utility	100,000	-	100,000	65,704	34,296
Total	<u>\$ 1,832,661</u>	<u>\$ -</u>	<u>\$ 1,832,661</u>	<u>\$ 930,121</u>	<u>\$ 902,540</u>

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## GENERAL FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes and shared revenue:				
Ad valorem property tax	\$ 119,880	\$ 122,847	\$ 126,258	\$ (3,411)
Delinquent tax	2,775	4,862	-	4,862
Motor vehicle tax	33,211	34,379	31,475	2,904
Recreational vehicle tax	501	495	529	(34)
16/20M truck tax	-	-	233	(233)
Commercial vehicle tax	2,473	3,135	1,349	1,786
Watercraft tax	-	-	227	(227)
Sales tax	94,709	87,692	93,000	(5,308)
State and federal grants	42,271	-	-	-
Licenses and permits	5,014	1,711	1,500	211
Fines	120	1,085	500	585
Charges for services	5,950	2,825	1,500	1,325
Franchise fees	41,768	48,349	40,000	8,349
Interest	17,785	36,748	-	36,748
Miscellaneous	21,339	4,553	-	4,553
Total receipts	<u>387,796</u>	<u>348,681</u>	<u>\$ 296,571</u>	<u>\$ 52,110</u>
Expenditures:				
General government	86,454	96,515	\$ 135,000	\$ 38,485
Public safety	152,016	102,813	130,000	27,187
Highways and streets	117,846	9,183	205,000	195,817
Transfer to capital improvement	31,254	28,938	31,000	2,062
Transfer to equipment reserve	42,000	40,000	-	(40,000)
Total expenditures	<u>429,570</u>	<u>277,449</u>	<u>\$ 501,000</u>	<u>\$ 223,551</u>
Receipts over (under) expenditures	(41,774)	71,232		
Unencumbered cash, beginning of year	<u>347,387</u>	<u>305,613</u>	<u>\$ 204,429</u>	<u>\$ 101,184</u>
Unencumbered cash, end of year	<u>\$ 305,613</u>	<u>\$ 376,845</u>		

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## SPECIAL STREET FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance favorable (unfavorable)
	2017	Actual	Budget	
Receipts:				
Gasoline tax	\$ 21,272	\$ 21,748	\$ 21,470	\$ 278
Charges for services	265	150	225	(75)
Total receipts	21,537	21,898	<u>\$ 21,695</u>	<u>\$ 203</u>
Expenditures:				
Street maintenance	35,936	25,336	<u>\$ 43,000</u>	<u>\$ 17,664</u>
Receipts over (under) expenditures	(14,399)	(3,438)		
Unencumbered cash, beginning of year	19,883	5,484	<u>\$ 21,305</u>	<u>\$ (15,821)</u>
Unencumbered cash, end of year	<u>\$ 5,484</u>	<u>\$ 2,046</u>		

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## CAPITAL IMPROVEMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Transfer from general	\$ 31,254	\$ 28,938
Transfer from water utility	-	40,000
Transfer from sanitation utility	-	5,000
Interest	<u>1,154</u>	<u>2,684</u>
Total receipts	32,408	76,622
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	32,408	76,622
Unencumbered cash, beginning of year	<u>100,913</u>	<u>133,321</u>
Unencumbered cash, end of year	<u><u>\$ 133,321</u></u>	<u><u>\$ 209,943</u></u>

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## CRIME STOPPERS FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Interest and donations	\$ 12	\$ 23
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	12	23
Unencumbered cash, beginning of year	<u>1,206</u>	<u>1,218</u>
Unencumbered cash, end of year	<u><u>\$ 1,218</u></u>	<u><u>\$ 1,241</u></u>

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## COMMUNITY DEVELOPMENT FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Loan principal	\$ 51,030	\$ 36,945
Interest	<u>8,539</u>	<u>10,543</u>
Total receipts	59,569	47,488
Expenditures:		
Administrative	<u>1,373</u>	<u>1,025</u>
Receipts over (under) expenditures	58,196	46,463
Unencumbered cash, beginning of year	<u>300,134</u>	<u>358,330</u>
Unencumbered cash, end of year	<u>\$ 358,330</u>	<u>\$ 404,793</u>

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## WOODBURY TRUST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Interest	\$ 121	\$ 155
Expenditures:		
Donations	<u>-</u>	<u>600</u>
Receipts over (under) expenditures	121	(445)
Unencumbered cash, beginning of year	<u>21,266</u>	<u>21,387</u>
Unencumbered cash, end of year	<u><u>\$ 21,387</u></u>	<u><u>\$ 20,942</u></u>

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## LAUDICK ESTATE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Interest	\$ 1,193	\$ 2,352
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	1,193	2,352
Unencumbered cash, beginning of year	<u>200,229</u>	<u>201,422</u>
Unencumbered cash, end of year	<u><u>\$ 201,422</u></u>	<u><u>\$ 203,774</u></u>

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## TOM FEIST FOUNDATION FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Donations	<u>\$ 321,600</u>	<u>\$ 182,215</u>
Expenditures:		
Contractual services	3,205	27,110
Commodities	1,000	-
Capital outlay	<u>123,135</u>	<u>264,280</u>
Total expenditures	<u>127,340</u>	<u>291,390</u>
Receipts over (under) expenditures	194,260	(109,175)
Unencumbered cash, beginning of year	<u>54,435</u>	<u>248,695</u>
Unencumbered cash, end of year	<u><u>\$ 248,695</u></u>	<u><u>\$ 139,520</u></u>

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## EQUIPMENT RESERVE FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Transfer from general	\$ 42,000	\$ 40,000
Transfer from water utility	20,000	-
Transfer from sanitation utility	<u>20,000</u>	<u>5,000</u>
Total receipts	82,000	45,000
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	82,000	45,000
Unencumbered cash, beginning of year	<u>-</u>	<u>82,000</u>
Unencumbered cash, end of year	<u><u>\$ 82,000</u></u>	<u><u>\$ 127,000</u></u>

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## BOND AND INTEREST FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Taxes:				
Delinquent tax	\$ -	\$ -	\$ 250	\$ (250)
Special assessments	3,006	10,169	500	9,669
Total receipts	3,006	10,169	\$ 750	\$ 9,419
Expenditures:				
Debt service:				
Principal	-	4,000	\$ 38,433	\$ 34,433
Interest and commissions	599	3,603	-	(3,603)
Total expenditures	599	7,603	\$ 38,433	\$ 30,830
Receipts over (under) expenditures	2,407	2,566		
Unencumbered cash, beginning of year	36,810	39,217	\$ 37,683	\$ 1,534
Unencumbered cash, end of year	\$ 39,217	\$ 41,783		

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## GAS UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Customer charges	\$ 205,782	\$ 224,278	\$ 350,000	\$ (125,722)
Expenditures:				
Personal services	56,629	56,976	\$ 75,000	\$ 18,024
Contractual services	124,126	154,933	330,000	175,067
Commodities	7,081	7,617	20,000	12,383
Capital outlay	30	1,725	25,000	23,275
Transfer to gas utility reserve	15,000	-	50,000	50,000
Total expenditures	202,866	221,251	\$ 500,000	\$ 278,749
Receipts over (under) expenditures	2,916	3,027		
Unencumbered cash, beginning of year	161,523	164,439	\$ 156,523	\$ 7,916
Unencumbered cash, end of year	\$ 164,439	\$ 167,466	\$ 6,523	\$ 160,943

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## WATER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance
	2017	Actual	Budget	favorable (unfavorable)
Receipts:				
Customer charges	\$ 218,519	\$ 226,366	\$ 250,000	\$ (23,634)
Miscellaneous	-	1,314	-	1,314
Total receipts	218,519	227,680	\$ 250,000	\$ (22,320)
Expenditures:				
Personal services	55,634	54,158	\$ 75,000	\$ 20,842
Contractual services	45,613	103,919	50,000	(53,919)
Commodities	12,612	13,557	40,000	26,443
Capital outlay	11,386	24,930	285,000	260,070
Debt service:				
Principal	-	-	20,500	20,500
Interest	-	-	49,728	49,728
Transfer to water capital outlay	29,160	29,160	30,000	840
Transfer to capital improvement	-	40,000	-	(40,000)
Transfer to equipment reserve	20,000	-	-	-
Total expenditures	174,405	265,724	\$ 550,228	\$ 284,504
Receipts over (under) expenditures	44,114	(38,044)		
Unencumbered cash, beginning of year	567,678	611,792	\$ 302,437	\$ 309,355
Unencumbered cash, end of year	\$ 611,792	\$ 573,748	\$ 2,209	\$ 571,539

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## SEWER UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance favorable (unfavorable)
	2017	Actual	Budget	
Receipts:				
Customer charges	\$ 74,752	\$ 75,072	\$ 80,000	\$ (4,928)
Expenditures:				
Personal services	56,903	58,489	\$ 60,000	\$ 1,511
Contractual services	13,658	7,896	15,000	7,104
Commodities	588	669	10,000	9,331
Capital outlay	-	-	15,000	15,000
Total expenditures	71,149	67,054	\$ 100,000	\$ 32,946
Receipts over (under) expenditures	3,603	8,018		
Unencumbered cash, beginning of year	18,559	22,162	\$ 20,559	\$ 1,603
Unencumbered cash, end of year	\$ 22,162	\$ 30,180	\$ 559	\$ 29,621

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## SANITATION UTILITY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

		2018		Variance favorable (unfavorable)
	2017	Actual	Budget	
Receipts:				
Customer charges	\$ 63,462	\$ 63,378	\$ 70,000	\$ (6,622)
Expenditures:				
Contractual services	55,519	55,704	\$ 65,000	\$ 9,296
Commodities	-	-	5,000	5,000
Capital outlay	2,400	-	30,000	30,000
Transfer to capital improvement	-	5,000	-	(5,000)
Transfer to equipment reserve	20,000	5,000	-	(5,000)
Total expenditures	77,919	65,704	\$ 100,000	\$ 34,296
Receipts over (under) expenditures	(14,457)	(2,326)		
Unencumbered cash, beginning of year	33,306	18,849	\$ 30,306	\$ (11,457)
Unencumbered cash, end of year	\$ 18,849	\$ 16,523	\$ 306	\$ 16,217

See Independent Auditor's Report.

**CITY OF SPEARVILLE, KANSAS****GAS UTILITY RESERVE FUND****SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS**

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Transfer from gas utility	\$ 15,000	\$ -
Expenditures	<u>-</u>	<u>-</u>
Receipts over (under) expenditures	15,000	-
Unencumbered cash, beginning of year	<u>20,000</u>	<u>35,000</u>
Unencumbered cash, end of year	<u><u>\$ 35,000</u></u>	<u><u>\$ 35,000</u></u>

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## WATER CAPITAL OUTLAY FUND

SCHEDULE OF RECEIPTS AND EXPENDITURES  
REGULATORY BASIS

For the Year Ended December 31, 2018  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2017)

	<u>2017</u>	<u>2018</u>
Receipts:		
Cash rent and leases	\$ 48,391	\$ 77,047
Transfers from water utility	<u>29,160</u>	<u>29,160</u>
Total receipts	<u>77,551</u>	<u>106,207</u>
Expenditures:		
Debt service:		
Principal	19,700	20,500
Interest	<u>50,541</u>	<u>49,728</u>
Total expenditures	<u>70,241</u>	<u>70,228</u>
Receipts over (under) expenditures	7,310	35,979
Unencumbered cash, beginning of year	<u>360,752</u>	<u>368,062</u>
Unencumbered cash, end of year	<u><u>\$ 368,062</u></u>	<u><u>\$ 404,041</u></u>

See Independent Auditor's Report.

## CITY OF SPEARVILLE, KANSAS

## AGENCY FUNDS

SUMMARY OF RECEIPTS AND DISBURSEMENTS  
REGULATORY BASIS

For the Year Ended December 31, 2018

<u>Fund</u>	<u>Beginning cash balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending cash balance</u>
Utility deposits	\$ 7,630	\$ 1,757	\$ 2,057	\$ 7,330
RHID construction	25	32,602	32,515	112
	<u>\$ 7,655</u>	<u>\$ 34,359</u>	<u>\$ 34,572</u>	<u>\$ 7,442</u>

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